

Representation

Draft Modification Report

0491 – Change Implementation date of Project Nexus to 1st April 2016

Consultation close out date: 01 April 2014

Respond to: enquiries@gasgovernance.co.uk

Organisation: Winchester Gas

Representative: Huw Comerford

Date of Representation: 21 March 2014

Do you support or oppose implementation?

Not in Support

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

The industry is currently using a flawed mechanism that is biased against SSP's, due to the method of reconciliation used which is effectively an estimation of usage even if actual usage data is available. This in turn is a barrier for competition, if new entrants/smaller shippers are having to pay for gas they haven't used.

Project Nexus has been in development for a number of years and by introducing meter point reconciliation will improve competitiveness within the market place. To delay the implementation of Project Nexus will mean continued usage of a mechanism that is recognised to be flawed within the industry and is unacceptable.

It is also widely recognised that Xoserve's systems currently do not have the capacity to handle all the industry processes that are required of them, with read files being rolled over and access to some systems reduced or cut off during the AQ review. With the Smart Meter roll out we will see a further increase in the number of meters that are capable of submitting frequent reads, which will put a further burden on a system that cannot cope further highlighting the need for a new system to be introduced as soon as possible.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

We are concerned that a delay to Project Nexus has been proposed based on a modification that has yet to be approved by Ofgem. We believe that it should also be noted that in various Project Nexus workgroups Xoserve expressed their confidence that they would be able to deliver an October 2015 start date even with the EU changes.

Self Governance Statement:

Do you agree with the Modification Panel's decision that this should not be a self-governance modification?

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Version 1.0

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Yes

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We believe there would be a negative impact on objective D, if there is a delay of the implementation of the Project Nexus modifications.

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

Delay of Project Nexus will mean we will continue to receive inaccurate reconciliation costs which are not reflective of usage.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

We don't support this modification of its delay of Nexus implementation and would want the current October 2015 date to be adhered to.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.